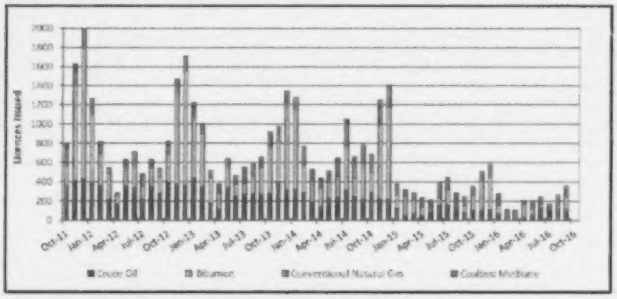
December 2016 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 439 well licenses in October 2016, up 23% from the 357 well licences issued in October 2015.

There were 139 licences issued for crude oil in October 2016, up 35% from the 103 crude oil licences issued in October 2015.

94% of the crude oil licences issued in October 2016 were for horizontal wells.

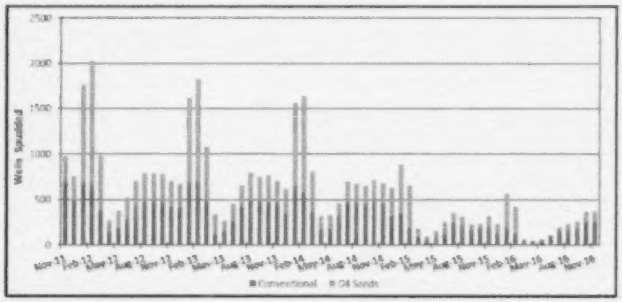
There were 140 natural gas well licenses (excluding CBM) issued in October 2016, up 39% compared to the 101 licences reported in October 2015.

99% of natural gas well licenses issued in October 2016 were for horizontal wells.

OCTOBER 2016			
Licenced Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	139	43%
	Vertical/Direct	1	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	131	24%
	Vertical/Direct	8	
Bitumen	Horizontal	49	33%
	Vertical/Direct	30	
	Evaluation	81	
Total		439	100%

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



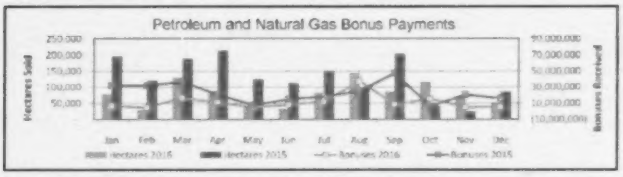
With a total of 321 spuds for the month of December 2016, activity has increased 40% as compared to December 2015 when there were 229 spuds.
From January to December 2016, spuds for conventional wells are down 12% while oil sands spuds are also down 34% as compared to the same period in 2015.

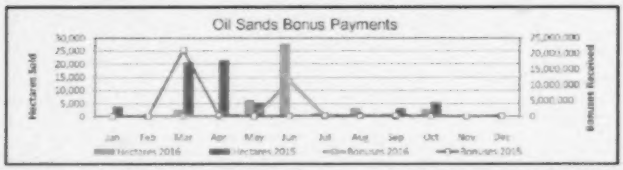
Note: Data for the most recent month is only partially complete. Therefore, December data includes the most current complete results.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Conventional	760	707	532	110	161	339	576	680	690	678	702	464	**6,439**
	Oil Sands	1052	1296	785	131	153	186	236	288	329	277	272	273	**5,279**
2012	Conventional	689	648	371	135	168	278	430	467	481	475	423	412	**4,978**
	Oil Sands	1076	1374	609	141	205	241	274	316	303	307	284	263	**5,396**
2013	Conventional	703	700	471	112	137	266	412	485	480	476	458	346	**5,046**
	Oil Sands	913	1126	608	227	133	186	243	316	267	289	248	273	**4,629**
2014	Conventional	647	577	362	161	171	318	472	463	452	493	447	319	**4,882**
	Oil Sands	815	1059	450	159	164	141	229	210	193	223	229	307	**4,276**
2015	Conventional	350	185	74	52	77	141	237	212	164	191	198	124	**1,995**
	Oil Sands	537	466	108	43	76	114	115	104	70	49	133	105	**1,920**
2016	Conventional	199	130	31	38	49	89	151	159	183	258	253	222	**1,762**
	Oil Sands	369	289	37	11	16	20	40	74	82	109	114	99	**1,260**

Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales





Bonuses received from the petroleum and natural gas land sales held in December 2016 were about $5.61 million with an average price per hectare of $107.62.

In December 2016, there was no oil sands mineral rights sales.

Between January and December 2016, Alberta received a total of $148.6 million from the sales of about 981 thousand hectares of land, compared to about $299.1 million received on the sales of about 1.6 million hectares during the same period in 2015.

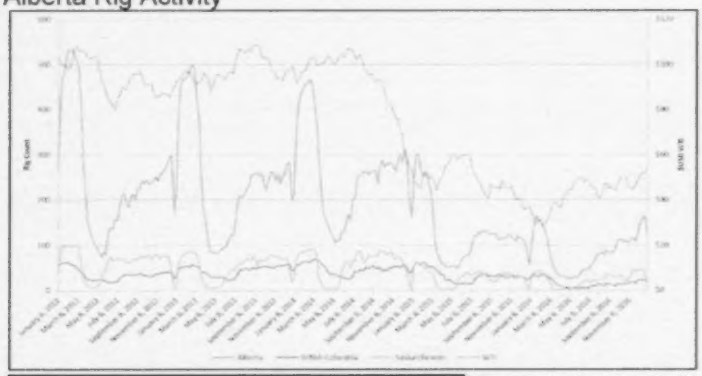
Average crown land prices between January to December have decreased from $185.17/hectare in 2015 to $151.45/hectare in 2016.

Petroleum and Natural Gas Rights	Dec-16	Dec-15	YTD 2016	YTD 2015
Bonuses	$5,611,227.17	$15,902,232.00	$136,783,392.80	$2/6,226,754.21
Hectares	52,139	85,208	936,776	1,564,024
Average Price per Hectare (Cdn$)	$107.62	$186.63	$146.01	$177.75

Oil Sands Rights	Dec-16	Dec-15	YTD 2016	YTD 2015
Bonuses	-	$145,601.00	$11,779,836.31	$22,912,974.43
Hectares		192	44,153	61,477
Average Price per Hectare (Cdn$)		$758.34	$266.80	$372.71

Source: Alberta Energy

Alberta Rig Activity



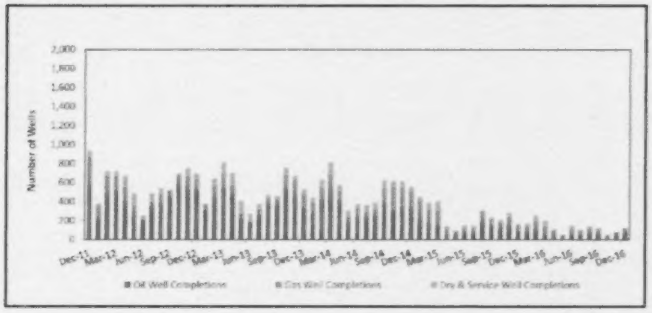
Canadian Drilling	Drilling December 30, 2016	Up or Down Compared to the Previous Week	WTI ($/bbl)
Alberta	122	(42)	$ 53.60
Saskatchewan	13	(21)	
British Columbia	21	(2)	
Canada	157	(10)	

Source: Baker Hughes

Rig activity in Alberta fell by 42 to 122 for the week of December 30th, 2016 but was 66 (118%) higher than last year.
In Canada, the number of rigs drilling decreased by 67 to 157 for the week of December 30th, 2016 but was 74 (89%) higher than a year ago.
Oil directed rig count decreased by 54 to 52 rigs and was 40 (333%) higher than last year.
Gas directed rig count was down 13 at 100 and was 29 rigs (41%) higher than last year.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

Alberta Well Completions



There were a total of 119 wells completed in December 2016, down about 27% from 163 wells completed in December 2015.

Compared to 2015, oil completions in 2016 were down 55% and gas completions were down 40%.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	**5,798**
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	**3,588**
	Dry & Service	42	127	222	112	150	100	97	94	145	19	32	73	**1,223**
2012	Oil Wells	215	488	516	405	296	265	348	300	447	568	533	523	**4,945**
	Gas Wells	131	181	146	141	52	12	46	98	65	81	137	110	**1,210**
	Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	**760**
2013	Oil Wells	313	449	544	481	230	179	263	394	357	528	403	333	**4,534**
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	**1,117**
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	**797**
2014	Oil Wells	280	427	520	418	188	240	245	257	389	314	354	348	**3,980**
	Gas Wells	105	119	166	94	54	94	52	63	154	239	197	161	**1,498**
	Dry & Service	57	80	126	62	63	45	70	69	85	65	62	42	**826**
2015	Oil Wells	239	194	147	57	34	75	80	189	154	113	152	89	**1,523**
	Gas Wells	166	134	166	52	42	45	44	108	65	75	93	63	**1,053**
	Dry & Service	46	60	84	32	25	31	21	13	15	27	40	11	**415**
2016	Oil Wells	88	106	43	30	11	48	46	87	64	27	51	81	**682**
	Gas Wells	55	90	106	69	29	75	47	35	47	20	26	37	**636**
	Dry & Service	29	64	51	14	11	21	10	17	15	4	2	1	**239**

Source: JuneWarren-Nickle's Energy Group